

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

**The Market Conduct Examination
of Jackson National Life Insurance
Company.**

)
) No. G 98 - 15
)
) FINDINGS, CONCLUSIONS, AND
) ORDER ADOPTING REPORT
)

BACKGROUND

An examination of the market conduct of Jackson National Life Insurance Company (the Company) as of December 31, 1996, was conducted by market conduct examiners of the Washington State Office of the Insurance Commissioner. The Company is an insurer under RCW 48.05.030. This examination was conducted in compliance with the laws and regulations of the State of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the Office of the Insurance Commissioner. The examination was a target exam focused on the following areas of operations: Marketing and Sales Practices, Agent Activity, Complaints, and Replacement Activity

The examination report with the findings and recommendations was transmitted to the Company for its comments on October 17, 1997. Responses to the draft report were received on November 14 and 21, 1997, and January 30, 1998; there was a conference call between the Company and the Office of the Insurance Commissioner on January 23, 1998. The Company did not request a hearing.

The Commissioner or a designee has considered the report, the relevant portions of the examiner workpapers, and the submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

The Commissioner adopts as findings the findings of the examiners as contained on pages 7-17 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct of the Company.

ORDER

The examination report as filed, attached hereto and incorporated by reference, is hereby **ADOPTED** as the final examination report.

It is **ORDERED** that the Company comply with the Instructions in the Report, as follows:

1. Three advertising brochures (XADV 1132, XADV 694, XADV 705) did not clearly identify the policies they supported. WAC 284-23-060(1) requires that the specific policy be identified by form number or other appropriate description in advertising. The Company is instructed to comply by adding the policy form number or other policy description in all future advertising. The Company must add the appropriate information to the above forms in the next printing of these documents.
2. The company is instructed to ensure that all agents and brokers are properly licenced and appointed prior to soliciting business on behalf of JNL as required by RCW 48.17.060(1)(2), RCW 48.17.160, and WAC 284-17-420(1).
3. WAC 284-30-260 (2) requires response to an OIC inquiry within 15 business days (21 calendar days) after receiving an OIC inquiry. The Company is directed to establish a procedure to ensure compliance.
4. The Company is instructed to comply with all sections of WAC 284-23-400, et.al, Washington Replacement Regulations. Although the Company procedure states the required actions, these steps are not always followed. It is the Company's responsibility to ensure that agents comply with replacement regulations, and to obtain any missing information or forms such as the replacement form from the agent.

ENTERED at Lacey, Washington, on February 12, 1998.

DEBORAH SENN

Insurance Commissioner

By:

WILLIAM E. FRANSEN

Deputy Commissioner